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SUBJECT: MACEDONIA: CAMPAIGN RHETORIC HEATS UP AS SUMMER

PARLIAMENTARY ELECTIONS APPROACH

REF: A. SKOPJE 286

**B. SKOPJE 266

SUMMARY

- 11. (SBU) With parliamentary elections possible as soon as late June, political parties are fueling increasingly heated pre-campaign rhetoric with personal attacks and mudslinging. Although the parties publicly deny it, there are numerous behind-the-scenes discussions ongoing about possible post-election coalition arrangements. A draft electoral code was finally passed on March 29, the first step toward setting an election date. Skirmishing between governing SDSM and opposition VMRO-DPMNE over key provisions of the code had delayed passage of the law for several weeks.
- 12. (SBU) Recent polls indicate that no party will win a dominant share of Parliament seats, raising the possibility of unpredictable post-election coalition negotiations and a realignment of the parties. Ethnic Albanian junior coalition party DUI, however, will likely emerge from the elections with considerable leverage. End Summary.

PARLIAMENTARY ELECTIONS POSSIBLE IN LATE JUNE OR EARLY JULY

13. (SBU) Macedonia must hold parliamentary elections on or before October 3, with parties vying for 120 seats in the country's unicameral parliament. Voters will cast ballots in six electoral districts with 20 seats each. Each district is comprised of approximately 280,000 voters. PM Buckovski recently told the Ambassador he hopes to hold elections in late June or, at the latest, July 5, before Macedonians head off on summer vacation and before the World Cup Championship soccer match is broadcast later that week.

CAMPAIGN RHETORIC HEATS UP

14. (SBU) Although the election date still has not been officially announced (the President of Parliament must formally announce the date at least 70 days before election day), the parties already have raised the temperature of the political campaign. Governing SDSM has bashed Nikola Gruevski, leader of the opposition VMRO-DPMNE, for allegedly questionable real estate transactions he made while he was in government from 1998-2002. Gruevski has counter-punched with

accusations that PM Buckovski profited from equally dubious real estate deals concluded when he was Minister of Defense from 2002-2004. The parties also traded blows over the recent privatization of the distribution assets of state power utility ESM (ref A), with VMRO-DPMNE apparently behind street blockades organized to protest the deal, and SDSM questioning VMRO-DPMNE's free market credentials for opposing the privatization.

15. (U) The ethnic Albanian parties have jumped into the fray with equal ardor. Opposition DPA has hammered governing coalition junior partner DUI for failing to achieve any measurable progress in implementing the 2001 Ohrid Framework Agreement. DPA also accuses DUI of failing to secure government benefits for ethnic Albanian National Liberation Army (NLA) fighters and their families who suffered damages as a result of the 2001 conflict. Both DPA and the smaller ethnic Albanian opposition party PDP also criticized DUI for failing to publicly denounce a recent police action in the predominantly ethnic Albanian village of Kondovo in which one eAlbanian criminal suspect was killed (ref B).

ETHNIC ALBANIAN FRONT-RUNNER FOCUSES ON ECONOMIC DEVELOPMENT

16. (U) DUI, the eAlbanian front-runner with a 3-to-1 lead over DPA in current polls, is vowing to stick to the issues in its campaign platform, and to focus on economic development as one of its main themes. With the party's strong lead in the polls, DUI leaders are confident they can win up to 20 seats in the elections; that would be a gain of five seats since the last parliamentary elections in 2002. The party has backed off previous demands that the governing coalition reach a compromise solution before the elections on a language law, or on a law to provide benefits to 2001 NLA

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veterans and their families. DUI leaders acknowledge that their SDSM partners could not now support such legislation without alienating ethnic Macedonian supporters.

COALITION MINUET

- 17. (SBU) Although the parties publicly deny engaging in any pre-electoral coalition arrangements, it is an open secret here that SDSM has been courting DPA as an alternative post-electoral coalition partner, and that DUI, in turn, has been flirting with VMRO-DPMNE. DPMNE accuses VMRO-Narodna, its archrival on the eMacedonian right, of being in bed with SDSM, while DUI privately has told us they suspect SDSM is trying to pre-position a "minority government" that would exclude them.
- 18. (SBU) Former SDSM maverick Tito Petkovski, who now controls three former SDSM MP seats following his breakaway founding of the NSDP last year, remains a chaste dance partner. Petkovski refuses to speculate on a pre-election coalition agreement, but is likely in the end to leverage his strong support among disenchanted SDSM voters (if elections were held today, he would garner nearly five percent of the votes, compared to SDSM's nine percent) in a post-election coalition arrangement with Buckovski's Social Democrats.

ELECTORAL CODE RUMBLE

19. (U) Parliament finally took the first step in the election process, after weeks of acrimonious debate, by passing a new electoral code on March 29. Until recently, VMRO-DPMNE had engaged in a pitched battle with SDSM over provisions in the code governing the composition of the local electoral boards that administer polling stations. PM Buckovski finally brokered a compromise with VMRO-DPMNE on the composition of the boards, and the code was approved with the support of all parties except VMRO-Narodna, which walked out of Parliament before the vote, charging PM Buckovski with reneging on an earlier agreement with Narodna.

- 110. (SBU) A March 22 poll shows more than 13 percent of voters would cast ballots for VMRO-DPMNE in parliamentary elections, 9 percent would vote for SDSM, and only two percent would support VMRO-Narodna. Among eAlbanians, DUI would garner over 10 percent, with DPA lagging at four percent. Pollsters tell us that the poll's margin of error is large enough that the gap could be far smaller. They also caution that percentages translate only imperfectly into seats in Parliament. Most analysts predict a close race, at least in terms of seats. Nevertheless, if these results are reflected in the balloting this summer, VMRO-DPMNE could attempt to form a governing coalition with DPA and several smaller parties. DUI leader Ali Ahmeti has told us privately that he will insist that any coalition government include the eAlbanian party with the largest number of MP seats.
- 111. (U) At this stage, more than 45 percent of respondents still say they will not vote, or are undecided about the party they would support. Overall, the poll indicates voter turnout is unlikely to top 60 percent, not much different from previous elections; that would favor the opposition parties since they are more likely to be able to mobilize undecided voters and voters unhappy with the current government.

PRESIDENT TAKES THE MORAL HIGH GROUND

112. (U) Rising above the fray, President Crvenkovski has used his office to launch an initiative to press for free and fair elections as a prerequisite for Macedonia's Euro-Atlantic aspirations. Together with the Ambassador, accompanied by the EUSR and OSCE ambassador, Crvenkovski has held a series of public and private meetings and roundtables with the media, NGOs, and religious leaders, calling on all of them to play a constructive, responsible role in ensuring free and fair elections. Although Al TV and the daily Vreme (both

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owned by Velija Ramkovski, who recently settled his USD 1.8m debt to a U.S. foundation) have sharply criticized him for involving the so-called "international factor" in this process, Macedonian political analysts tell us they believe the IC's engagement in this endeavor is critical.

COMMENT

113. (SBU) A pattern of political behavior is emerging from the Byzantine maneuvers of the parties in the "pre-campaign" period. The opposition has seemed intent on creating and fueling an atmosphere of tension and incipient crisis in order to keep the pool of frustrated and undecided voters filled. At the same time, the government has kept the opposition off-balance by offering concessions to demonstrate publicly its flexibility, and then amending them later so that the opposition rejects them, ends up looking obdurate, and fights publicly among themselves. Buckovski so far has proved to be the master of such maneuvers, outfoxing the opposition at every turn. That approach may work to his tactical advantage now, but over the long run it can only help feed public dissatisfaction with the entire political establishment. Meanwhile, with the media and opposition determined to focus on the negative, even a more positive Buckovski approach might well be futile. MILOVANOVIC